

# 2019

CITY OF LANGFORD  
Statement of Financial Information  
(Pursuant to the Financial Information Act)

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City of Langford, British Columbia, Canada

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The undersigned, as authorized by the Financial Information Regulation, Schedule 1, Subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

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Michael Dillabaugh, CPA, CA  
Director of Finance

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Matt Sahlstrom  
Councillor

## Schedule of Debts

Information on all long term debts for this organization is included in Note 4 to the 2019 Audited Financial Statements.



#### Schedule of Guarantee and Indemnity Agreements (Unaudited)

There are no Financial Guarantee and Indemnity Agreements in place which required government approval prior to being given under the Financial Administration Act

#### Schedule of Grants or Contributions

The City of Langford does not consider grant-in-aid applications.

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## Schedule of Employee Remuneration and Expenses (unaudited)

		Remuneration	Expenses	Total
Adams, Steve	Fire Co-Ordinator	129,130.48	225.00	129,355.48
Arnold, Graham	Fire Fighter	87,368.49		87,368.49
Aubrey, Christopher	Fire Chief	153,926.23	1,410.86	155,337.09
Auterhoff, Monica	Municipal Office Supervisor	79,448.26		79,448.26
Baldwin, Matthew	Director of Planning	158,922.53	4,684.87	163,607.40
Bate, Mitchell	GIS Technician	79,458.16	4,011.23	83,469.39
Bell, Brian	Fire Maintenance	135,979.62	725.00	136,704.62
Booth, Travis	GIS Technician	79,203.42	2,292.68	81,496.10
Brown, Jennifer	Manager of Support Services RCMP	99,378.94	3,000.00	102,378.94
Carmichael, Landis	Fire Comm Dispatcher	147,068.59		147,068.59
Caven, Lance	Assistance Chief of Fire Prevention	139,731.55	568.66	140,300.21
Corpus, Theodore	Senior Application Developer/Analyst	86,352.14	3,294.13	89,646.27
Davidson, Scott	Assistant Chief, Training	142,855.96	726.71	143,582.67
Dillabaugh, Michael	Director of Finance	147,283.66	3,984.98	151,268.64
Dube, Kevin	Manager of Information Technology	122,830.86	7,548.69	130,379.55
Dykstra, Robert	Planner	84,885.75	659.52	85,545.27
Edwards, Cameron	Sr Building Inspector	105,002.21	2,665.71	107,667.92
Fletcher, Lorne	Bylaw Manager	115,917.26	1,049.47	116,966.73
Goodwin, Seth	Firefighter	81,036.83		81,036.83
Henshall, George	Deputy Director of Engineering and Public Works	119,587.53	5,260.87	124,848.40
Humphrys, Katherine	Communications Operator	98,509.33		98,509.33
Hutchins, Braden	Director of Corporate Services	148,955.58	260.00	149,215.58
Kiedyk, Darren	Chief Administrative Officer	201,944.90	5,822.41	207,767.31
Kryklywyj-Shortreid, Audrey	Deputy Director of Finance	120,240.10	150.00	120,390.10
Lambert, Paul	Senior Bylaw Officer	89,319.26	2,697.49	92,016.75
Lenton, David	Engineering Technician	80,729.86	289.07	81,018.93
Leung, Ivan	Engineering, Construction Manager	110,022.65	3,229.03	113,251.68
Mahovich, Michele	Director of Engineering	153,355.11	5,299.91	158,655.02
Manton, Cory	Manager of Parks & Recreation	120,018.32	3,405.42	123,423.74
Mattson, Raphael	Construction Engineer	82,264.81	1,236.24	83,501.05
McDonald, James A	Supervisor Beautification Workers	75,824.31		75,824.31
McLellan, Tara	Engineering Technician	78,003.88	258.74	78,262.62
Miller, Shawn	GIS Technician	81,344.55	1,577.80	82,922.35
Minifie, Daryl	Land Development Technician	85,889.67	1,128.63	87,018.30
Moen, Jeffrey	GIS Technician	79,122.42	2,750.39	81,872.81
Moreau, Richard	RCMP - Computer Systems Analyst	78,937.48		78,937.48
Morhart, Lauren	Planner	85,804.20	2,080.26	87,884.46
Moss, Leanna	Fire Comm Dispatcher	92,436.62		92,436.62
Nielsen, Yari	Senior Technician Parks and Recreation	75,352.55	2,034.37	77,386.92
Obersteller, Paul	Firefighter/Inspector	130,045.63	2,637.87	132,683.50
Oliver, James	Land Development Technician	85,058.60	2,471.80	87,530.40
Pozney, Chris	Building Inspector	77,020.04	2,668.07	79,688.11
Proton, Adriana	Manager of Legislative Services	110,734.87	4,969.94	115,704.81
Reid, Jenny	Fire Fighter	80,337.74	80.00	80,417.74
Reinsch, Ryan	Senior System Administrator - Information Technology	93,219.98	4,412.73	97,632.71
Robinson, Wayne	Building Inspector 2	82,459.14	5,939.70	88,398.84
Sametz, David	Planning and Subdivision Technician	80,585.86	6,553.75	87,139.61
Spencer, Christopher	Firefighter	83,311.40		83,311.40
Spriggs, Geoff	Assistant Chief, Communications	153,808.02	3,271.49	157,079.51
Stohmann, Leah	Deputy Director of Planning	121,237.70	6,370.34	127,608.04
Worobec, Jerry	Manager Building Inspector	126,082.80	2,789.64	128,872.44
		<b>5,457,345.85</b>	<b>116,493.47</b>	<b>5,573,839.32</b>
		<b>3,916,888.77</b>		
		<b>9,583,064.92</b>		
Remuneration under \$75,000				
Total Remuneration				

There were two severance agreements under which payment commenced between The City of Langford and it's non-unionized employees during the fiscal year 2019. Compensation was determined based on salary.

## Schedule of Council Remuneration and Expenses (unaudited)

	Indemnity	Expenses	Total
Stewart Young	44,769.90	266.00	45,035.90
Denise Blackwell	31,935.05	6,532.14	38,467.19
Matt Sahlstrom	27,318.20	6,516.32	33,834.52
Lanny Seaton	27,711.95	3,049.21	30,761.16
Roger Wade	22,458.80	2,932.08	25,390.88
Norma Stewart	27,318.20	7,034.82	34,353.02
Lillian Szpak	27,318.20	6,315.39	33,633.59
	<b>208,830.30</b>	<b>32,645.96</b>	<b>241,476.26</b>

Schedule of Payments

687346 BC Ltd	120,113.28
Accent Refrigeration Systems Ltd.,	40,691.34
Accredit Mortgage Ltd	32,186.00
Achinback Industries And Foundry Ltd	36,206.09
Adams Storage Ltd	39,300.59
Agius Builders Ltd.	246,292.70
Aire Serv of Greater Victoria	75,675.00
Allied Power and Communication Ltd.	26,927.54
Anniko, Hunter	50,000.00
Aquamarine Inc	111,817.65
Arngask Developments	37,805.00
Ash Mountain Construction Ltd	46,970.18
ASO/Desjardins	533,730.30
B.T.H Construction Ltd	42,892.50
Bains, Bobby	59,538.00
BC Assessment Authority	509,083.33
BC Health Tax	126,121.38
BC Hydro	716,211.29
BC Transit	2,826,897.63
Bear Mountain Land Holdings Ltd.	40,691.70
Bell Mobility Inc.	70,896.74
Beyond the Turf Ltd	295,077.96
Black Press Group	72,345.94
Bob Lilly Landscape Architect	104,466.55
Bricklok Surfacing & Landscape Supply Ltd	103,223.40
Burke, Greg	607,852.50
Canadian Sport Institute	25,092.08
Capital City Paving Ltd.	484,540.49
Capital Region Emerg.Serv.Telecom(CREST)	78,016.85
Capital Regional District	9,574,945.91
Capital Regional District Water -Isld Hwy	628,209.59
Capital Regional District Water-Fisgard	281,574.30
Capital Regional District-Bylaw/Animal Control	101,891.56
Capital Regional Hospital District	2,618,268.68
CDW Canada Corp.	43,839.66
Charter Telecom Inc.	25,181.64
City of Nanaimo	25,187.45
Colquitz Engineering Ltd	30,515.10
Colwood, City Of (transfer of Casino Funds)	357,404.16
Covermaster Inc	135,337.44
Crombie REIT	26,214.72
DB Services of Victoria Inc	174,652.89

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Dekra-Lite Industries Inc.	31,372.42
Destination Greater Victoria	27,394.50
Diamond Municipal Solutions	70,949.41
Douglas Lake Equipment Ltd	31,995.38
Draycor Construction Ltd	373,972.55
Draycor Developments Ltd.	30,880.00
Eager Beaver Tree Service	182,642.00
Eclipse Creative Inc.	46,472.26
Ecoasis Developments LLP	89,802.89
Ecoasis Resort and Golf LLP	105,661.83
Elite Promotional Marketing	27,407.06
Enex Fuels Ltd	57,186.51
Enviro Float Manufacturing (2002) Ltd.	95,624.48
Era Law	39,520.19
Esquimalt, Township Of (transfer of Casino Funds)	342,196.73
Esri Canada	96,293.75
Fantastic Cleaning Ltd.	190,731.65
Fastrac Printing Ltd	32,125.92
FDM Software Ltd	50,355.09
FieldTurf Inc.	362,197.50
Flag Shop, The	27,945.68
Fortis BC Natural Gas	74,448.86
Fubar Holdings	397,166.92
G & E Contracting LP	81,944.56
Gardner Creek Joint Venture	32,865.58
GFL Environmental Inc	30,550.45
Gillam Group	132,327.68
GM Landco Management Ltd.	35,915.00
Goldstream Holdings Ltd Partnership	347,147.50
Golf Canada Foundation	25,000.00
Grandstand Canada Inc	84,216.09
GRAPHIC OFFICE INTERIORS	388,409.20
Great West Life Assurance Co.	39,706.00
Greater Victoria Public Library	1,795,672.99
Greater Victoria Security	326,831.66
Habitat Systems Inc.	96,326.23
Harmoni Construction	101,730.00
Harris Computer Corp	150,770.93
Hayworth Communities Inc	69,362.62
Hendry Swinton McKenzie	278,035.00
Highlands, District Of (transfer of Casino Funds)	45,147.12
Hosking McCormick Holdings	71,826.00
Hoylake Developments Limited Partnership	31,692.00
International Assoc Of Firefighters	27,011.80
Ironclad Developments Inc.	250,496.09
Island Key Computer Ltd.	106,236.85
Isle Golf Cars Inc	25,286.71

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IWC Excavation Ltd.	376,990.41
Jenner Chevrolet Oldsmobile Ltd	45,715.39
Jeune Bros Tent & Awning	32,629.70
Jim Pattison Toyota Victoria	69,160.00
Johnson Controls	33,998.38
Kerr Wood Leidal Consulting Engineers	311,278.79
Kettle Creek Developments	65,505.24
Keycorp Consulting Ltd.,	38,522.00
Keycorp Event Management Ltd	131,250.00
KPMG LLP, T4348	34,965.00
Lakewood Estates Ltd	152,852.39
Langford Lanes Bowling Alley Inc	26,607.00
Langford Volunteer Firefighters Assoc.	116,988.71
Laurentian Bank of Canada	27,248.00
Le Gers Properties Inc.	79,750.00
Leigh Rd Ventures	168,725.00
Lite Access Technologies Inc	139,797.95
Livingston International Inc	137,499.47
Lowen Hydrogeology Consulting Ltd	26,871.54
Lumca Inc.	193,595.85
Luxton Holdings Ltd.	58,945.10
M'akola Housing Society	80,181.00
Marathon Surfaces	103,126.61
Mastercard	355,915.14
Maxxam Victoria	61,921.00
McCallum Developments Inc	444,225.12
McCormick Meadows Ltd	159,303.00
Medical Services Plan Of BC	65,137.50
Metchosin, District Of (transfer of Casino Funds)	99,304.42
Michael Bryan Auto Brokers Inc	74,088.00
Microsoft Corporation	131,454.49
Milestone Equipment Contracting Inc	54,293.06
Motion Canada	57,413.49
NAN Site Servicing	100,936.50
New Valley Holdings	28,009.87
Nextview Construction Inc.	70,672.27
Oakcrest Park Estates Ltd.	44,490.79
Omsi	275,782.66
OnPoint Project Engineers Ltd	189,787.05
Oreck Karby Barristers & Solicitors	44,197.80
Our Lady of the Rosary Church	46,560.00
Pacific Centre Family Services	63,341.63
Pacific East Developments Ltd	77,439.00
Pacific Football Club	46,811.42
Paladin Technologies	31,414.04
Parkview Estates Ltd.	57,392.69
Peninsula Consumer Services Co-Operative	38,650.00

Performance Plus Hockey inc.	139,146.00
Provincial Sales Tax	190,305.50
Powell & Associates Land Surveyors	37,425.81
Ralmax Contracting Ltd	50,308.53
Rapid Impact Compactors Ltd	52,661.70
Raylec Power LP	740,051.97
RE/MAX Camosun	67,500.00
Read Jones Christoffersen	59,976.82
Receiver General for Canada - source deductions	2,707,535.85
Receiver General -RCMP contract	6,908,567.13
RecTec Industries Inc	178,596.04
Redington Property Group Ltd	94,612.21
Reed Pope Law Corp, In Trust	700,224.17
Richmond Property Group	73,264.08
Rugby Canada	36,155.98
Rubner	3,665,296.50
Ryzuk Geotechnical	86,512.64
Scalar Decisions Inc.	152,869.40
Scansa Construction	1,031,684.16
School District No.62	512,695.03
School Tax	12,051,476.76
Scho's Line Painting Service	42,522.76
Seacliff Properties (Langford) Ltd	39,983.50
Shelter Overland Van Co	29,072.00
Silverstream Investments Inc	95,086.31
Simplistic Lines Inc	43,090.73
Sooke Lake Modular Home Cooperative Assn	28,427.15
Sooke, District Of (transfer of Casino Funds)	266,623.05
Southern Exposure Developments Ind.	87,575.00
SouthPoint Partners Ltd	95,986.00
SSL-Sustainable Services Ltd	126,406.56
Staples #137	35,955.49
Story:	203,618.08
Sunshine Coast Credit Union Tsf to investment	5,000,000.00
Superannuation	1,606,393.09
SYN Lawn Vancouver Island	103,922.30
Tekloch Homes Ltd	26,480.00
The Westin Bear Mountain, Victoria	370,425.44
Think Communications Inc	98,941.22
Three Point Motors	57,762.88
TJBS Properties Ltd	79,000.00
TL Housing Solutions Ltd	287,065.25
Tower Fence Products Ltd.	28,879.45
Tran Sign (1999) Ltd	33,321.39
Tri City Finishing	69,555.15
Valley Traffic Systems	61,516.28
VDA Architecture Ltd	247,676.82

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Verity Construction Ltd	7,014,963.49
Victoria Contracting & Municipal Maint.	5,450,869.71
WA Architects Ltd.	46,201.19
Watt Consulting Group	28,848.50
West Shore Arts Council	31,840.50
West Shore Environmental Services Limited Partnership	481,389.59
West Shore Parks & Recreation Society.	2,576,401.00
Westbrook Consulting Ltd.	44,257.82
Westhills Land Corp	304,878.71
Westhills Land Corp-Library Rent	129,014.12
Willing, Peter	32,768.75
Windley Contracting Ltd	31,230.63
Worksafe BC	100,854.13
YMCA YWCA of Greater Victoria	914,374.96
Young, Anderson Barristers & Solicitors	437,339.63
Young, Anderson in Trust	2,004,344.33
GIC Purchases	14,000,000.00
<hr/>	
Total of vendor totals over \$25,000	106,345,212.46
Under \$25,000	3,140,030.51
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<b>Total</b>	<b>109,485,242.97</b>

The Schedule of Payments to Suppliers for the Provision of Goods and Services has been prepared on a cash basis and the financial statements have been prepared on an accrual basis, therefore no reconciliation of this schedule with the financial statements has been prepared.

Included in the above payments are collections for other governments, capital and property purchases, refunds of deposits on hand, transfers of funds to other institutions, and transfer of funds to other Municipalities (Casino Revenue Share)



# 2019

CITY OF LANGFORD  
Consolidated Financial Statements  
For the fiscal year ending December 31, 2019

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City of Langford, British Columbia, Canada



# City of Langford

[www.cityoflangford.ca](http://www.cityoflangford.ca)

<b>Mayor:</b>	Stewart Young
<b>Councillors:</b>	Denise Blackwell Matt Sahlstrom Lanny Seaton Norma Stewart Lillian Szpak Roger Wade
<b>Chief Administrative Officer:</b>	Darren Kiedyk, CPA, CGA
<b>Director of Finance:</b>	Michael Dillabaugh, CPA, CA
<b>City Engineer:</b>	Michelle Mahovich, M.Eng., P.Geo., P.Eng.
<b>City Planner:</b>	Matthew Baldwin, MCIP, RPP
<b>Fire Chief:</b>	Christopher Aubrey
<b>Auditors:</b>	KPMG
<b>Solicitors:</b>	Young Anderson
<b>Bankers:</b>	Bank of Montreal
<b>Police:</b>	RCMP - West Shore

# CITY OF LANGFORD

## Consolidated Financial Statements

Year ended December 31, 2019

### Financial Statements

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## Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the City of Langford (the "City") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Administration and Finance Committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.

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Chief Administrative Officer                      Director of Finance



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Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of The City of Langford

### ***Opinion***

We have audited the consolidated financial statements of The City of Langford (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019 and its consolidated results of operations, its changes in net financial debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
May 4, 2020

# CITY OF LANGFORD

## Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 17,869,648	\$ 44,970,524
Short term investments	32,979,782	5,000,000
Property taxes receivable	1,788,931	1,699,177
Accounts receivable	12,598,020	11,596,391
Other assets	527,786	542,205
	65,764,167	63,808,297
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	13,115,466	8,469,077
Prepaid property taxes and licences	1,513,367	1,737,084
Deferred revenue (note 3)	21,267,347	18,853,277
Refundable deposits	14,586,054	14,284,240
Debt (note 4)	23,300,825	25,426,850
	73,783,059	68,770,528
<b>Net debt</b>	<b>(8,018,892)</b>	<b>(4,962,231)</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 5)	474,752,059	440,593,794
Sewer franchise agreement (note 6)	36,684,622	35,857,276
Prepaid expenses	765,798	973,979
	512,202,479	477,425,049
Commitments, contingencies and contractual rights (note 11 and 12)		
Subsequent events (note 14)		
<b>Accumulated surplus (note 7)</b>	<b>\$ 504,183,587</b>	<b>\$ 472,462,818</b>

The accompanying notes are an integral part of these consolidated financial statements.

Director of Finance



# CITY OF LANGFORD

## Consolidated Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	Financial Plan (note 13)	2019	2018 (note 15)
<b>Revenue:</b>			
Taxation, net (note 8)	\$ 32,957,489	\$ 32,920,719	\$ 30,294,924
Development cost charges (note 3)	6,522,792	3,413,466	3,342,053
Sewer capital recovery fees	-	10,784,310	10,876,787
Utility charges	5,000	5,000	5,000
Other	5,757,789	7,869,272	6,768,714
Licences and permits	2,982,400	3,734,870	3,330,584
Penalties and interest	410,000	468,191	400,766
Government transfers (note 9)	14,133,374	5,890,905	2,821,798
Commercial leasing	3,359,400	5,763,156	5,287,473
Casino	1,300,000	1,433,991	1,434,705
Investment earnings	200,000	888,676	516,566
Developer and property owner contributions	8,001,833	24,570,701	39,299,442
<b>Total revenue</b>	<b>75,630,077</b>	<b>97,743,257</b>	<b>104,378,812</b>
<b>Expenses:</b>			
General government services:			
Legislative	647,730	660,626	393,775
Administrative	2,955,400	4,130,226	2,919,353
Other	2,113,296	1,948,191	1,786,395
	<b>5,716,426</b>	<b>6,739,043</b>	<b>5,099,523</b>
Protective services:			
Police and bylaw enforcement	10,172,958	9,625,086	8,191,589
Fire protection and emergency response	3,572,978	3,998,699	3,387,848
Building Inspection and other	785,824	796,415	775,127
	<b>14,531,760</b>	<b>14,420,200</b>	<b>12,354,564</b>
Engineering and public works:			
Common services	1,423,279	1,139,431	1,022,342
Land development services	496,959	758,318	704,601
Roads, streets and storm drainage	5,168,246	10,638,058	18,797,528
	<b>7,088,484</b>	<b>12,535,807</b>	<b>20,524,471</b>
Community services:			
Environmental and development services	1,009,500	1,047,989	980,930
Recreation and cultural services	11,053,085	15,360,480	13,361,255
West Shore Parks and Recreation Society (note 16)	5,633,530	5,962,005	6,071,702
	<b>17,696,115</b>	<b>22,370,474</b>	<b>20,413,887</b>
Utility and enterprise services:			
Sewer infrastructure	-	9,956,964	2,776,217
<b>Total expenses</b>	<b>45,032,785</b>	<b>66,022,488</b>	<b>61,168,662</b>
Annual surplus	30,597,292	31,720,769	43,210,150
Accumulated surplus, beginning of year	472,462,818	472,462,818	429,252,668
<b>Accumulated surplus, end of year</b>	<b>\$ 503,060,110</b>	<b>\$ 504,183,587</b>	<b>\$ 472,462,818</b>

The accompanying notes are an integral part of these consolidated financial statements.

# CITY OF LANGFORD

## Consolidated Statement of Changes in Net Debt

Year ended December 31, 2019, with comparative information for 2018

	Financial Plan (note 13)	2019	2018
Annual surplus	\$ 30,597,292	\$ 31,720,769	\$ 43,210,150
Acquisition of tangible capital assets	(21,369,993)	(24,345,013)	(10,333,205)
Amortization of tangible capital assets	-	9,042,171	8,395,688
Loss on sale of tangible capital assets	-	168,710	1,839,538
Proceeds on sale of tangible capital assets	-	1,381,647	586,603
Sewer capital recovery fees	-	(10,784,310)	(10,876,787)
Sewer capital agency fee	-	9,241,729	2,098,712
Developer contributions of tangible capital assets	-	(19,116,957)	(26,797,555)
Change in proportionate share of West Shore Parks & Rec Society	-	(573,588)	(97,446)
Transfer of assets to other Governments (note 9)	-	-	7,286,366
Transfer of work in progress to operating	-	-	67,810
	9,227,299	(3,264,842)	15,379,874
Consumption of prepaid expenses	-	208,181	(148,969)
Change in net debt	9,227,299	(3,056,661)	15,230,905
Net debt, beginning of year	(4,962,231)	(4,962,231)	(20,193,136)
Net debt, end of year	\$ 4,265,068	\$ (8,018,892)	\$ (4,962,231)

The accompanying notes are an integral part of these consolidated financial statements.

# CITY OF LANGFORD

## Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 31,720,769	\$ 43,210,150
Items not involving cash:		
Amortization of tangible capital assets	9,042,171	8,395,688
Loss on sale of tangible capital assets	168,710	1,839,538
Developer contributions of tangible capital assets	(19,116,957)	(26,797,555)
Sewer capital recovery fees	(10,784,310)	(10,876,787)
Sewer capital agency fee	9,241,729	2,098,712
Change in proportionate share of West Shore Parks & Rec Society	(573,588)	(97,446)
Transfer of assets to other Governments	-	7,286,366
Transfer of work in progress to operating	-	67,810
Changes in non-cash operating assets and liabilities:		
Property taxes receivable	(89,754)	77,311
Accounts receivable	(1,001,629)	3,822,888
Other assets	14,419	(84,347)
Accounts payable and accrued liabilities	4,646,389	(5,661,061)
Prepaid property taxes and licences	(223,717)	867,500
Deferred revenue	2,414,070	3,715,406
Refundable deposits	301,814	2,289,591
Prepaid expenses	208,181	(148,969)
	25,968,297	30,004,795
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(24,345,013)	(10,333,205)
Proceeds on sale of tangible capital assets	1,381,647	586,603
	(22,963,366)	(9,746,602)
<b>Financing activities:</b>		
Debt proceeds	-	2,300,000
Debt payments	(2,126,025)	(2,691,850)
Purchase of investments	(27,979,782)	(5,000,000)
	(30,105,807)	(5,391,850)
Increase (decrease) in cash and cash equivalents	(27,100,876)	14,866,343
Cash and cash equivalents, beginning of year	44,970,524	30,104,181
Cash and cash equivalents, end of year	\$ 17,869,648	\$ 44,970,524
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 739,169	\$ 626,079
Cash received from interest	888,676	516,566

The accompanying notes are an integral part of these consolidated financial statements.

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

Year ended December 31, 2019

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The City of Langford (the "City") is incorporated and operates under the provisions of the British Columbia Local Government Act and the Community Charter of British Columbia.

### 1. Significant accounting policies:

The consolidated financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the City are as follows:

#### (a) Reporting entity:

The consolidated financial statements include the assets, liabilities, revenues and expenses of the City. The consolidated financial statements also include the City's proportionate interest in the West Shore Parks and Recreation Society ("West Shore"), an organization jointly controlled by the City. The City does not administer any trust activities on behalf of external parties.

#### (b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Revenue recognition:

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

Property tax revenue is recognized on an accrual basis using approved tax rates and the anticipated assessment for the current year. Parcel tax revenues are recognized in the year that they are levied.

#### (d) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired thereby extinguishing any liability to the City.

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred, development cost charges are recognized as revenue in amounts which equal the associated expenses.

#### (e) Refundable deposits:

Receipts restricted by third parties are deferred and reported as refundable deposits under certain circumstances. Refundable deposits are returned when the third party meets their obligations or the deposits are recognized as revenue when qualifying expenditures are incurred.

#### (f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

(g) Cash equivalents:

Cash equivalents include short-term, highly liquid investments that are cashable on demand or have a term to maturity of 90 days or less at acquisition.

(h) Long-term debt:

Long-term debt is recorded net of related repayments and actuarial earnings.

(i) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Land improvements	10-50
Buildings	25-70
Vehicles, machinery, equipment	5-25
Sewer and storm infrastructure	75-100
Road infrastructure	10-75

Non-financial assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value and are recorded as revenue at the date of receipt.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Inventory of supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost.

(vi) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- 1) an environmental standard exists
- 2) contamination exceeds the environmental standard
- 3) the City is directly responsible or accepts responsibility for the liability
- 4) future economic benefits will be given up, and
- 5) a reasonable estimate of the liability can be made

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

(j) Employee benefits:

The City and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred. The costs of a multi-employer defined contribution pension plan, such as the Municipal Pension Plan, are the employer's contributions due to the plan in the period.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, estimating fair value of contributed tangible capital assets and in estimating provisions for accrued liabilities. Actual results could differ from these estimates.

2. Cash and cash equivalents:

	2019	2018
West Shore Parks and Recreation Society	\$ 1,444,846	\$ 1,632,134
Cash	9,024,949	20,338,390
Term deposits	7,399,853	23,000,000
	\$ 17,869,648	\$ 44,970,524

The City has an approved operating line of credit of \$10,500,000.

3. Deferred revenue:

Deferred revenue, reported on the consolidated statement of financial position, is comprised of the following:

	2019	2018
Development cost charges	\$ 19,434,367	\$ 17,000,931
Hotel room tax	1,114,556	1,198,495
Other	718,424	653,851
	\$ 21,267,347	\$ 18,853,277

Development cost charges:

	2019	2018
Opening balance of unspent funds	\$ 17,000,931	\$ 13,462,079
Add:		
Development cost charges received during the year	5,521,742	6,606,753
Interest earned	325,160	274,152
	22,847,833	20,342,984
Less amount spent on projects and recorded as revenue	(3,413,466)	(3,342,053)
	\$ 19,434,367	\$ 17,000,931

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### 4. Debt:

#### (a) Debt:

Debt from the TD Bank is comprised of an interim financing facility which bears interest at Bankers Acceptance Rate plus stamping fee of 60 basis points. The current rate of interest is 2.15%.

#### (b) Principal payments on long term debt and budgeted repayments on short-term debt for the next five years are as follows:

2020	\$	1,471,500
2021		1,496,400
2022		1,491,400
2023		1,490,500
2024		1,498,100

### 5. Tangible capital assets:

#### (a) Assets under construction:

Assets under construction have a value of \$6,417,023 (2018 - \$3,621,581) and have not yet been amortized. Amortization of these assets will commence when the asset is put into service.

#### (b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$19,116,957 (2018 - \$26,797,555) comprised of land \$12,717,447 (2018 - \$19,927,362), land improvements \$118,240 (2018 - \$21,000), sewer and storm infrastructure \$2,525,206 (2018 - \$3,035,188) and roads infrastructure \$3,756,064 (2018 - \$3,814,005).

#### (c) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

#### (d) Write-down of tangible capital assets:

No tangible capital assets were written down in 2019 or 2018.

#### (e) West Shore Parks and Recreation Society:

The City's proportionate share of West Shore Parks and Recreation Society assets includes land, buildings, and equipment which are subject to amortization policies consistent with those of the City.

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### Note 5. Tangible Capital Assets (Continued)

	Land	Land Improvements	Buildings	Vehicles Machinery & Equipment	Sewer and Storm Infrastructure	Roads Infrastructure	Assets Under Construction	West Shore Parks & Recreation Society	2019	2018
<b>Cost:</b>										
Opening	\$ 189,836,615	16,387,398	40,526,309	13,425,797	61,453,866	165,991,589	3,621,581	32,444,283	\$ 523,687,438	\$ 497,818,035
Additions	15,787,466	3,627,649	8,384,048	1,740,423	2,525,206	6,627,123	4,226,075	543,980	43,461,970	37,130,760
Transfers	-	216,757	977,488	119,158	-	3,335	(1,316,738)	-	-	-
Disposals	(1,359,247)	(475,453)	-	(198,865)	-	(30,752)	(113,895)	(61,090)	(2,239,302)	(11,400,435)
Change in share	-	-	-	-	-	-	-	835,280	835,280	139,078
Balance, end of year	204,264,834	19,756,351	49,887,845	15,086,513	63,979,072	172,591,295	6,417,023	33,762,453	565,745,386	523,687,438
<b>Accumulated Amortization:</b>										
Opening	-	6,065,102	7,946,648	7,555,844	11,409,241	39,952,058	-	10,164,751	83,093,644	76,953,947
Disposals	-	(427,908)	-	(193,219)	-	(9,227)	-	(58,591)	(688,945)	(1,620,117)
Amortization	-	845,689	953,269	942,998	986,675	3,932,836	-	665,469	8,326,936	7,718,182
Change in share	-	-	-	-	-	-	-	261,692	261,692	41,632
Balance, end of year	-	6,482,883	8,899,917	8,305,623	12,395,916	43,875,667	-	11,033,321	90,993,327	83,093,644
Net book value, end of year	\$ 204,264,834	13,273,468	40,987,928	6,780,890	51,583,156	128,715,628	6,417,023	22,729,132	\$ 474,752,059	\$ 440,593,794



# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### 6. Sewer franchise agreement:

During 2004, the City entered into a franchise and partnering agreement with West Shore Environmental Services Inc. ("WSES") and Terasen Utility Services Inc. The term of the agreement is 21 years, with a single 21 year renewal. Under the agreement, the City grants an exclusive franchise to WSES to design, construct, finance, own, and operate and maintain sanitary sewers in the City. The City also grants an exemption from municipal property tax for sewer infrastructure and WSES has been granted an Order in Council to extend that exemption to property taxes for all other jurisdictions. Upon termination of the agreement, the sewer infrastructure constructed by WSES will be acquired by the City for a nominal payment.

WSES will recover its capital costs by imposition of a sewer capital recovery fee ("SCRF") on owners of property who wish to connect to the sewer. WSES will also bill and collect all user fees. WSES will pay the City franchise fees that are estimated to total \$11 million over the 21 year term of the agreement.

The City records the costs of sewer infrastructure constructed by WSES \$2,256,983 (2018 - \$4,510,953) and corresponding remaining cost to be recovered. The remaining cost to be recovered is reduced as SCRF's are collected by WSES.

The cost of WSES sewer infrastructure, less residual value, is amortized on a straight line basis over their estimated useful lives, 60 to 70 years. During the 2019 year, the remaining costs to be recovered were in excess of the amount owing. In accordance with the agreement, the City has recorded an agency fee of the excess in the amount of \$9,241,729 (2018 - \$2,098,712).

	Opening	Increase	Decrease	Closing
WSES sewer infrastructure				
Cost	\$ 43,255,293	2,256,983	(714,402)	\$ 44,797,874
Accumulated amortization	(7,398,017)	(715,235)	-	(8,113,252)
	35,857,276	1,541,748	(714,402)	36,684,622
Remaining cost to be recovered	-	(2,256,983)	2,256,983	-
	\$ 35,857,276	(715,235)	1,542,581	\$ 36,684,622

### 7. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2019	2018
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 488,135,856	\$ 451,024,220
Other	(5,171,115)	(98,595)
<b>Total surplus</b>	<b>482,964,741</b>	<b>450,925,625</b>
<b>Reserves set aside by Council:</b>		
Future operational contingencies	855,630	653,760
Future capital contingencies	1,208,946	984,000
Federal Gas Tax	3,607,840	2,449,326
West Shore Parks & Rec Society	931,594	961,791
<b>Total reserves</b>	<b>6,604,010</b>	<b>5,048,877</b>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Capital works	4,166,876	1,911,266
Affordable housing	2,598,091	2,039,036
Parks and open space	1,157,991	2,431,746
Parkland improvement	3,029	2,975
General amenity	3,738,423	7,740,700
Equipment replacement	950,758	762,487
Sidewalk capital	49,234	48,334
Bear Mountain fire hall	1,400,559	1,355,208
Special police capital	-	148,324
Special police operating	500,735	-
Downtown parking	49,140	48,240
<b>Total reserve funds</b>	<b>14,614,836</b>	<b>16,488,316</b>
	<b>\$ 504,183,587</b>	<b>\$ 472,462,818</b>

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### 8. Taxation:

Taxation revenue, reported on the consolidated statement of operations, is comprised of the following:

	2019	2018
General	\$ 30,401,773	\$ 28,236,723
Parcel tax	1,953,825	1,532,460
Revenue in lieu of taxes	115,241	95,937
Collections for other governments	31,934,124	29,650,587
1% utility taxes	449,880	429,804
	64,854,843	59,945,511
Less taxes levied for other authorities:		
Capital Regional District - General Operating	7,490,488	6,577,464
Revenue in lieu of taxes	93,988	73,988
Capital Regional Hospital District	2,613,170	2,515,842
School Authorities	18,317,177	17,428,848
BC Assessment Authority	508,356	482,952
Municipal Finance Authority	2,497	2,210
BC Transit	2,908,448	2,569,283
	31,934,124	29,650,587
	\$ 32,920,719	\$ 30,294,924

### 9. Government transfers:

The City recognizes the transfer of government funding as revenue when received and all related eligibility criteria and stipulations have been satisfied.

	2019	2018
Operating transfers:		
Federal	\$ 102,027	\$ 33,394
Provincial	709,574	348,170
Other	813,219	661,452
	1,624,820	1,043,016
Capital transfers:		
Federal	2,883,317	1,374,049
Provincial	1,179,165	180,353
Other	203,603	224,380
	4,266,085	1,778,782
	\$ 5,890,905	\$ 2,821,798

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### 10. Municipal pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. The plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021 with results available in 2022.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City paid \$877,689 (2018 - \$775,858) for employer contributions while employees contributed \$740,612 (2018 - \$673,497) to the Plan in fiscal 2019.

### 11. Commitments and contingencies:

#### (a) Contingent liabilities:

The CRD debt, under provisions of the Local Government Act, is a direct, joint and several liability of the CRD and each member municipality within the CRD, including the City of Langford.

The City is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated who provides centralized emergency communications, and related public safety information services to municipalities, regional district, the provincial and federal governments and their agencies, and emergency services organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

#### (b) Litigation liability:

From time to time, the City is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable. It is considered that the potential claims against the City resulting from such litigation will be covered by insurance and therefore will not materially affect the consolidated financial statements of the City.

#### (c) Commitments:

The City entered into a long-term contract with the Royal Canadian Mounted Police (RCMP) for the provision of police services effective October 1, 1994. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2020 estimated cost of this contract is \$8,036,600.

On February 7, 2013, the City entered into a purchase of service agreement with the YMCA/YWCA of Greater Victoria to provide access for Langford residents to an aquatic facility to be built in Langford. The City agreed to pay \$750,000 per year to be indexed by population every two years from the opening date to a maximum of \$950,000 per year for a period of 25 years.

As at December 31, 2019, the following major contracts were in progress:

	Total Amount of Contract	Paid or Accrued
Operating	\$ 19,744,518	\$ 11,601,240
Capital	-	-

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### 12. Contractual rights:

The City has entered into various contracts for rental revenue within the normal course of operations. The estimated contractual rights under these contracts for the years ending December 31 are as follows:

2020	\$	521,247
2021		500,000
2022		510,000
2023		410,000
2024		410,000
	\$	2,351,247

In addition to these contractual rights, the City has agreements with other parties that provide payments to the City based on a percentage earned throughout the year.

### 13. Financial plan:

The financial plan data presented in these consolidated financial statements is based upon the 2019 operating and capital financial plans approved by Council on May 6, 2019. Amortization expense was not contemplated on development of the financial plan and, as such, has not been included. The chart below reconciles the approved financial plan to figures reported in these consolidated financial statements.

	Financial plan amount
Revenues:	
Operating	\$ 49,110,391
Capital	43,705,292
West Shore Parks & Rec Society	3,121,794
Less:	
Transfers from own funds	15,807,400
Proceeds on debt issue	4,500,000
Total revenue	75,630,077
Expenses:	
Operating	49,110,391
Capital	43,705,292
West Shore Parks & Rec Society	3,121,794
Less:	
Capital expenditures	43,705,292
Transfer to own funds	5,041,500
Debt principal payments	2,157,900
Total expenses	45,032,785
Annual surplus	\$ 30,597,292

### 14. Subsequent Event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This situation presents uncertainty over the City's future cash flows and may have a significant impact on the City's future operations. Potential impacts on the City's business could include future decreases in revenue, future increases in expenses, impairment of receivables, impairment of investments or reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact of the economy are not known, an estimate of the financial effect on the City is not practical at this time.

### 15. Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year. The City has adjusted the prior year comparative figures for revenue and expenses to reflect the gross up of contractual revenues and expenses which were previously netted.

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### 16. West Shore Parks and Recreation Society:

#### (a) Capital asset transfer:

The Capital Regional District (the "CRD") transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal members (the "Municipalities") effective January 2, 2002; City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca Electoral Area). Effective January 1, 2007 the Town of View Royal became a member of the Society. Effective January 1, 2018, the CRD is no longer a member of the Society.

In 2002 the lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-Owners' Agreement. The lands and facilities were reallocated amongst the members on January 1, 2007 when the Town of View Royal became a member. Future improvements are allocated among the members as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement. For 2019, the City's share of improvements purchased by the Society on its behalf is \$352,050.

Because the cost sharing formula in the Members' Agreement produces different cost shares for the members from year-to-year, there is a gain or loss on the opening fund balances. In 2019, the City of Langford's share is \$573,588. Included in this amount is the reallocation of the shares previously owned by the Juan de Fuca Electoral Area.

The Municipalities have each become members in the Society, which was incorporated to provide parks, recreation and community services to the Municipalities under contract. Under terms of an Operating, Maintenance and Management Agreement, the Society is responsible to equip, maintain, manage and operate the facilities located at the recreation centre.

#### (b) Consolidation:

Financial results and budget for the Society are consolidated into the City's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2019 the City's proportion for consolidation purposes was 52.07% (2018 - 50.77%).

Condensed financial information for the Society is as follows:

	2019	2018
Financial assets	\$ 3,480,294	\$ 3,636,125
Financial liabilities	2,362,813	2,233,137
Net financial assets	1,117,481	1,402,988
Non-financial assets	1,308,209	1,030,170
Accumulated surplus	\$ 2,425,690	\$ 2,433,158
Invested in tangible capital assets	\$ 1,041,200	\$ 982,438
Reserve funds	1,921,597	2,036,113
Other	(537,107)	(585,393)
	\$ 2,425,690	\$ 2,433,158
Revenues	\$ 7,330,284	\$ 6,547,215
Requisition from members	4,947,539	4,947,539
	12,277,823	11,494,754
Expenses	7,337,752	6,331,257
Requisition from members	4,947,539	4,947,539
	12,285,291	11,278,796
Annual surplus (deficit)	\$ (7,468)	\$ 215,958

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### 17. Segmented information:

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protective Services, Engineering and Public Works Services, Community Services and Utility and Enterprise Services. Service Areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the Segmented Information, along with the services they provide are as follows:

#### General Government Services

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing City assets; ensuring effective financial management; monitoring performance and ensuring that high quality City services standards are met.

#### Protective Services

The Departments within Protective Services are Police and Bylaw Enforcement; Fire Protection and Emergency Response; and Building Inspection. The mandates of these departments are to enforce laws, prevent crime, maintain peace, order and security by protecting life, property and the environment.

#### Engineering and Public Works

The Engineering Department is responsible for the transportation services within the City. This includes roads, storm drains, sidewalks, street lighting and trolley.

#### Community Services

The Departments within Community Services include Environmental and Development Services and Recreation and Cultural Services. The Environmental and Development Services Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the City and for reviewing and approving new development. The Recreation and Cultural Services Department is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and cultural services.

#### Utility and Enterprise Services

This Department is responsible for administering the Sewer Franchise Agreement (note 6) for the City.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. The following table provides additional financial information for the foregoing segments. Taxation and grants in lieu of taxes are apportioned to the functions based on their share of the net budgeted expenditures in the Financial Plan.

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### Note 17 2019 Segmented Information (Continued)

	General Government Services	Protective Services	Engineering and Public Works	Community Services	Utility and Enterprise Services	Total
Revenue:						
Taxation	\$ 6,045,281	\$ 11,986,866	\$ 4,018,592	\$ 10,869,980	\$ -	\$ 32,920,719
Utility charges	-	-	-	-	5,000	5,000
Government transfers	498,000	914,110	3,232,928	1,245,867	-	5,890,905
Commercial leasing	51,608	98,974	-	5,612,574	-	5,763,156
Other	4,811,065	80,525	56,949	4,277,600	10,784,310	20,010,449
Licences and permits	29,610	2,750,445	180,389	774,426	-	3,734,870
Developer and property owner contributions	3,513,105	20,000	15,236,123	3,257,067	2,544,406	24,570,701
Development cost charges	-	-	839,629	2,573,837	-	3,413,466
Casino	-	-	1,433,991	-	-	1,433,991
<b>Total Revenue</b>	<b>14,948,669</b>	<b>15,850,920</b>	<b>24,998,601</b>	<b>28,611,351</b>	<b>13,333,716</b>	<b>97,743,257</b>
Expenses:						
Salaries, wages and employee benefits	3,117,907	5,019,730	1,995,821	2,976,949	-	13,110,407
Contracted and general services	1,866,532	8,149,154	4,265,372	14,227,278	9,241,729	37,750,065
Materials, goods, supplies and utilities	595,214	566,021	575,728	1,036,906	-	2,773,869
Other	887,521	230,058	818,461	1,409,936	-	3,345,976
Amortization	271,869	455,237	4,880,425	2,719,405	715,235	9,042,171
<b>Total Expenses</b>	<b>6,739,043</b>	<b>14,420,200</b>	<b>12,535,807</b>	<b>22,370,474</b>	<b>9,956,964</b>	<b>66,022,488</b>
<b>Annual surplus (deficit)</b>	<b>\$ 8,209,626</b>	<b>\$ 1,430,720</b>	<b>\$ 12,462,794</b>	<b>\$ 6,240,877</b>	<b>\$ 3,376,752</b>	<b>\$ 31,720,769</b>

# CITY OF LANGFORD

## Notes to Consolidated Financial Statements

### Note 17 2018 Segmented Information (Continued)

	General Government Services	Protective Services	Engineering and Public Works	Community Services	Utility and Enterprise Services	Total
Revenue:						
Taxation	\$ 5,101,562	\$ 10,052,915	\$ 6,362,780	\$ 8,777,667	\$ -	\$ 30,294,924
Utility charges	-	-	-	-	5,000	5,000
Government transfers	184,177	824,641	1,749,586	63,394	-	2,821,798
Commercial leasing	44,100	213,565	-	5,029,808	-	5,287,473
Other	3,766,613	64,424	33,021	3,821,988	10,876,787	18,562,833
Licences and permits	23,420	2,057,397	244,665	1,005,102	-	3,330,584
Developer and property owner contributions	4,554,403	34,100	27,803,196	3,872,555	3,035,188	39,299,442
Development cost charges	-	-	3,262,243	79,810	-	3,342,053
Casino	222,735	-	1,211,970	-	-	1,434,705
Total Revenue	13,897,010	13,247,042	40,667,461	22,650,324	13,916,975	104,378,812
Expenses:						
Salaries, wages and employee benefits	2,622,011	4,253,657	1,999,241	3,043,877	-	11,918,786
Contracted and general services	1,194,302	6,923,932	5,521,019	11,277,660	2,098,712	27,015,625
Materials, goods, supplies and utilities	629,059	512,883	470,530	1,172,314	-	2,784,786
Other	385,457	223,163	7,921,330	2,523,829	-	11,053,779
Amortization	268,694	440,929	4,612,351	2,396,207	677,505	8,395,686
Total Expenses	5,099,523	12,354,564	20,524,471	20,413,887	2,776,217	61,168,662
Annual surplus (deficit)	\$ 8,797,487	\$ 892,478	\$ 20,142,990	\$ 2,236,437	\$ 11,140,758	\$ 43,210,150